



United States
General Accounting Office
Washington, D.C. 20548

160710

Accounting and Information
Management Division

B-280213

June 19, 1998

The Honorable Henry J. Hyde
Chairman, Committee on the Judiciary
House of Representatives

Subject: Federally Chartered Corporation: Review of the Financial Statement
Audit Report for the American War Mothers, Incorporated, for Fiscal
Year 1997

Dear Mr. Chairman:

As requested, we reviewed the audit report covering the financial statements of the American War Mothers, Incorporated, a federally chartered corporation, for the year ended August 31, 1997. Among the objectives of the American War Mothers, Incorporated, are to work for the welfare of the Armed Forces of the United States, and to assist, in any way possible, the men and women who served and were wounded or incapacitated in the World Wars or Conflicts of the United States. Corporation projects include publication of a newsletter and contributions to Veterans Administration hospitals.

Federally chartered corporations are required under 36 U.S.C. 1102-1103 to

- present the corporation's assets and liabilities and reasonable detail on the corporation's income and expenses in annual financial statements,
- obtain an annual financial audit by an independent public accountant, and
- submit the auditor's report and the corporation's financial statements to the Congress not later than 6 months following the close of the corporation's fiscal year.

The objective of our review was to determine whether the audit report complied with the financial reporting requirements of the law. In carrying out our work, we reviewed the corporation's financial statements and the accompanying notes, performed certain analytical procedures related to information presented in the financial statements, reviewed the auditor's report, and made inquiries to corporation officials or the auditors as deemed necessary. We did not review the auditor's working papers.

GAO/AIMD-98-200R American War Mothers, Incorporated

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The auditor issued a qualified opinion because there were no accounting controls over contributions before the related amounts were entered into the accounting records. Accordingly, it was impractical to extend an examination beyond the receipts recorded.

Except for the issue noted above, nothing came to our attention that would cause us to believe that the financial reporting requirements of the law have not been met.

We are returning the audit report you sent with your letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David L. Clark", with a large, stylized flourish at the end.

David L. Clark
Director, Audit Oversight and Liaison

(w/o enclosure)

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